P.W (1944) Department

SERIES.

G.O. No.

Dated

[Despatch Abstract.]

Bangalore Electric Licence, 1930 - Extension of period for option of purchase - Amendment to clause

Deferred.

E MANGALORE ELECTRIC SUPPLY CC LTD.

Managing Agents:
VIUS STEEL & CO., LTD.

Telephone No. 146.
(3 Lines)

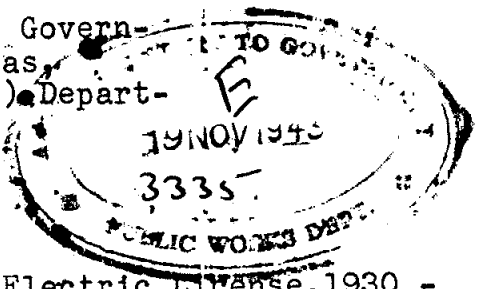
Telegraphic Address:
"LAPIDANDO CALCUTTA"

Post Box No. 55.

REGISTERED

No. Man/ 792 *Calcutta,* 15th Novr. *194*

The Secretary to the Government of Madras,
Public Works (Labour) Department,
Fort St. George,
Madras.



Sir, The Mangalore Electric License, 1930 - Application for Amendment.

urther to our application No. Man/7717/30 of the 3rd instant, we have the honour to enclose herewith three copies each of the issues of "The Hindu" dated the 9th, 10th and 11th instant, in which this Company's advertisement regarding the application appears.

We have the honour to be,
Sir,
Your most obedient servants,
per pro Octavius Steel & Co. Ltd.

Managing Agents.

REGISTERED

P.L.D

Please see page 1 and the letter referred to (No. Man/7717/30 dated 3.11.43) as Licence has not been received. The Company may be asked to send a copy of the ~~urgently~~ Subject to approval this draft letter may issue.

~~Letter No. 3350 L/43/3 dated 23.11.43.~~
~~To Messrs Gebrüder Heller & Co Ltd~~
~~Manager & Agents~~
~~Mangalore~~
The Mangalore Electric Supply Co. Ltd.

~~P.B. No. 55 dated 15.11.43~~
P.B. No. 55 Calicut

Refer your letter No. Man/7936/3 dated 15.11.43 regarding amendments to Mangalore Electric Licence, 1931.

Your letter No. Man 7717/30 dated 3-11-43 ~~regarding~~ referred to in your letter cited above has not been received. Please send a copy ~~of the~~ urgently

23.11

22/11/43 N
23.11.43

THE MANGALORE ELECTRIC SUPPLY CO., LTD. 3

anaging Agents:
OCTAVIUS STEEL & CO., LTD.

Telegraphic Address:
"LAPIZANDO, CALCUTTA"

Telephone No. 146.
(3 Lines)

Post Box No. 55.

Ref. No. Man/8.322/30 *Calcutta,* 30th Novr. *194*3.

E
DEO
3683

The Secretary to the Goverȶment of Madras,
Public Works Department,
Fort St. George, Madras.

Sir, Application for Amendment to the Mangalore Electric Licence, 1930.

With reference to your letter No.3335. E/43-1 of the 23rd instant, we have the honour to enclose herewith a copy of the application in question.

We have the honour to be,
Sir,
Your most obedient servants,
per pro Octavius Steel & Co.Ld.

Enclos/

Managing Agents.

C O P Y.

Man/7717/30 3rd November 1943.

The Secretary to the Government of Madras,
Public Works (Labour) Department,
Fort St.George, Madras.

E
DED
3684

Through: The Chief Engineer for Electricity,
Govt. of Madras, Chepauk, Madras.

Sir, The Mangalore Electric License, 193 - Application for an Extension of the Period of the License.

We have the honour to apply for an amendment to this Company's License, wh by the period of twenty years laid down in Clause 12 is extended to a period o thirty years, the amended Clause 12(a) to read as follows:-

'Purchasing of undertaking.-(a). The optio of purchase given by sectio subsection (1), of the Act shall first be exercisable on the expiratio of thirty years from the commencement of this license and on the expir tion of every subsequent period of ten years during the continuance of this license. The percentage of the value to be determined in accord ance with and for the purpose of sub-section (1) of section 7 of the A of all lands, buildings, works, materials and plants of the licensees therein mentioned to be added under the second proviso of the subsecti to such value on account of compulsory purchase shall be twenty per ce

This application is submitted for the reason that with the Company's origi

progress license period expiring in less than seven years it is evident that a term of twenty years is inadequate in which to allow a reasonable return on the outlay required to intrduce the use of electricity in a hitherto undeveloped area and under the adverse conditions which have prevailed.

A small profit was first shown by the Company for the year ended the 31st March 1939, but the immediate introduction of the tax on electricity resulted in a serious setback to the Company's progress. The advent of the War, with the consequent increase in expenses and the introduction of restrictions further militated against the Company's prospects. As the Shareholders have todate received no retun whatsoever on their investment, we submit that, in view of the exceptional circumstances of the case, it would be fair and reasonable for an extension of the license period to be granted in order that those who have financed electical development may be given an opportunity of obtaining at least some small benefit from their enterprise. We would mention that a large number of the Company's Shareholders are residents in Mangalore District.

We trust that this application will receive the favourable consideration of Government, and we will in due course forward three copies of the newspaper in which our appliation will be advertised as required under Rule 24 of the Indian Electricity Rules.

We have the honour to be,
Sir,
Your most obedient servants,
per pro Octavius Steel & Co. Ltd.
Sd/H.E.Crowe.
Managing Agents.

Memo No. 3335 E/43-2 Dt 13. 12. 43

The Mangalore Electric Licence 1930 Extension of period

The Supt, Govt Press is requested to have the attached copy of an advertisement which appeared in "The Hindu" of the 9th, 10th, and 11th Nov 1943, published in part I of the next issue of the Fort St. George Gazette.

11.12.43

11.12.43

11.12.43

of period

The attention of the Comm^r., Mangalore municipality ~~President, South Kanara Db. Bd.~~ is invited to the notice published in "The Hindu" of the 9th, 10th and 11th Nov '43 regarding amendment of the above licence and he is requested to report before the expiry of the period allowed for objections, whether the ~~Db. Board~~ municipal Council has any representations to make in the matter.

MP/1112/43

To

The Comm^r., Mange
Municipality Thro

.. ~~President, D.B.~~
~~South Kanara~~

15/12

MP
1.12.43

11.12.43

THE MANGALORE ELECTRIC SUPPLY CO., LTD.

OCTAVIUS STEEL & CO. LTD
CALCUTTA.
OFFICE OF THE CHIEF ENGINEER FOR I
TELEPHONE No. 146 (3 Lines).
POST BOX NO. 33
5787
NOV 1943

Ref. No. Man/ 6 /30 Calcutta 3rd November 1943.

The Secretary to the Government
of Madras,
Public Works (Labour) Department
Fort St. George,
Madras.

Through: The Chief Engineer for Electricity,
Government of Madras,
Chepauk, Madras.

Sir, The Mangalore Electric License, 1930 - Application for an Extension of the Period of the License.

We have the honour to apply for an amendment to this Company's License, whereby the period of twenty years laid down in Clause 12 is extended to a period of thirty years, the amended Clause 12(a) to read as follows:-

> "Purchasing of undertaking.-(a). The option of purchase given by section 7, sub-section (1), of the Act shall first be exercisable on the expiration of thirty years from the commencement of this license and on the expiration of every subsequent period of ten years during the continuance of this license. The percentage of the value to be determined in accordance with and for the purpose of sub-section (1) of section 7 of the Act of all lands, buildings, works, materials and plants of the licensees therein mentioned to be added under the second proviso of the sub-section to such value on account of compulsory purchase shall be twenty per centum."

2/ This application is submitted for the reason that with the Company's original license period expiring in less than seven years it is evident that a term of twenty years is inadequate in which to allow a reasonable return on the outlay required to introduce the use of electricity in a hitherto undeveloped area and under the adverse conditions which have prevailed.

3/ A small profit was first shown by the Company for the year ended the 31st March 1939, but the immediate introduction of the tax on electricity resulted in a serious setback to the Company's

progress. The advent of the War with the consequent increase in expenses and the introduction of restrictions further militated against the Company's prospects. As the Shareholders have todate received no return whatsoever on their investment, we submit that, in view of the exceptional circumstances of the case, it would be fair and reasonable for an extension of the license period to be granted in order that those who have financed electrical development may be given an opportunity of obtaining at least some small benefit from their enterprise. We would mention that a large number of the Company's Shareholders are residents in Mangalore District.

We trust that this application will receive the favourable consideration of Government, and we will in due course forward three copies of the newspaper in which our application will be advertised as required under Rule 24 of the Indian Electricit Rules.

We have the honour to be,
Sir,
Your most obedient servants,
per pro Octavius Steel & Co. Ltd.

Managing Agents.

Office of the Chief Engineer
for Electricity, Chepauk, Madras.

ENDORSEMENT NO.5838 G/43-3, dated 21-12-1943.

Sub: Licence - Salem-Erode, Tuticorin-Tinnevelly - Palamcotta and Mangalore Electric Licences - Extension of period of licences.

Ref: 1. From the Salem-Erode Electricity Distribution Co., Ltd No.SAI/7596/30, dated 26-10-1943.
2. From the Tinnevelly-Tuticorin Electric Supply Co., Ltd., No.Tin/7615/30, dated 27-10-1943.
3. From the Mangalore Electric Supply Co., Ltd., No.Man/7717/30, dated 3-11-1943.

Forwarded to the Secretary to Government, Public Works Department, Madras.

2. The remarks of the Chief Electrical Inspector to Government on the request of the Salem-Erode Licensee are extracted hereunder:--

"The request for the extension of the period of licence is stated to be for the reason that under present day conditions twenty years period is too short to permit adequate returns to shareholders. The War has certainly brought about conditions which could not have been foreseen or provided for initially. But, the effect of the War can properly be assessed only after the termination of the War when (as pointed out in endorsement No.826, dated 27th April 1943 on Kumbakonam and Negapatam Licensees' applications) a general review of all licensee's position would be necessary. The Salem-Erode licence, granted in 1951

1931, has a further 7years to run and therefore I am of opinion that the question of extension of licence period may be considered after the termination of the War.

Moreover the present request of the licensee does not satisfy any of the conditions (a) and (b) of para 1 of Government Memo No.340 E/41-1, dated 3rd February 1941."

A (E)/P

For similar reasons, the Chief Electrical Inspector to Government is of the opinion that the question of extension of the licence period in the case of Tuticorin-Tinnevelly and Mangalore licences also may be considered after the termination of the War.

B

I endorse the recommendations of the Chief Electrical Inspector to Government.

for CHIEF ENGINEER (ELECTRICITY).

To the Secretary to Government, Public Works Department, Madras, with 3 letters.

P. W. D

The file on the subject was sent to C.E.I.G. a.o. for remarks. The receipt may be awaited

D
1.12.43

T. M No. 3335 E/43-5 Dt 28.12.43
(P.C. only)

To The C-E.I.S. / 30/12

Elecy- Mangalore Electric Licence, 1930
Extension of Term

The file on the subject was sent to you with P.W.O. No. 3335 E/43 4 Dt 15.12.43.
The C-S C E) has since for your remarks on the ~~subject~~, the file please return it urgently.

28.12.43

28.12.43
28.12.43

Dy Hyl Port.

ELECTRICITY DEPARTMENT.

From

Sri T.J. Mirchandani,
Chief Electrical Inspector
to Government, Post Box 417,
Chepauk, Madras.

E 173

To

The Secretary to Government,
Public Works Department, Madras.

No.4869-G/43-2 dated 8-1-44.

Sir,

Sub: Mangalore Electric Licence, 1930 - Extension of period.
Ref:P.W.u.o.No.3335-E/43-4 dated 15-12-43 and post copy of Telephone Message No.3335-E/4 -5 dated 28-12-43.

The file on the subject, is returned herewith.

T. J. Mirchandani
Chief Electrical Inspector
to Government.

Encls: P.W.D. file No.3335-E/43 -
(C.F.10 pages, N.F.1 page).

MM/GS.10.1.

19/20/1

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

P. W. D

SUBJECT :— Elecy - Mangalore Electric Licence, 1930 - Extension of period for option of purchase - Amendment to clause 12. Deferred.

READ AGAIN _____, dated _____ 19____

" " _____ " _____ 19____

READ *ALSO* :—

No. 3335 E/43 From the Mangalore Electric Supply Co. Ltd Ref "A" No. Man/7117/39 dated 3. 11. 1943

" _____ " C.E. (E) " 58382/43-3 " 21. 12. 1943

" _____ " _____ " _____ " _____ 19____

Order Ms. No. 171, dated 20-1-1944 19____

[Pub. at pp 39-40 of Pt I and pp 25-26 of (H) Pt. No. 93 P W A (H) 1944]

(C) The Mangalore Electric Supply Co. Ltd., The licensee under the Mangalore Electric Licen

1930, have submitted an application for an amendment of clause 12 of the licence so that the period for the option of purchase of the undertaking may be extended from twenty to thirty years. The Govt are of opinion that the question of extension of the period should be considered, if necessary, after the present War.

pp 11-12 C&G

Mp 6-7 of 30 1379 N (G) 6.5.30

B on p 111 C&P

17.1

To

The Mangalore Electric Supply Co. Ltd.,
P. B. No. 55,
Calcutta.

" C.E(E)

" C.E.I.G.

Copy to the Commr., Mangalore municipality thro' C.M.C.

" to the President, Dt. Bd, South Kanara

For further action see p 5 N.F. of 30 on the subject

(Noted. Item 138 in call Book)

For note in Call Bk

VERY URGENT.
No 512.
44

Municipal Office, Mangalore,
Dated the 18th January 1944.

From

Sri K. Ramaswami Mudaliyàr,
Commissioner, Mangalore Municipality, Mangalore.

To

The Secretary to the Government of Madras,
Public Works Department, M a d r a s.

Through

The Chairman, Municipal Council,
Mangalore.

408

PUBLIC WORKS

S i r,

Subject: The Mangalore Electric Licence 1930 -- Extension of period - Government Memorandum No.3335-E/43 dated the 13th December 1943 -- Reply submitted.

The Council strongly objects to the application for the extension of the licence by 10 years since it has the intention of purchasing and managing the concern after the termination of the present licence as such public utility services are now recognised as fit to be owned and run by Local authorities.

A copy of Council's resolution objecting to the grant of extension is enclosed.

COMMISSIONER. 19/1/44

F o r w r d e d:

21-1-44.

CHAIRMAN, M.C.

Extract from the proceedings of the Mangalore Municipal council, dated the 17th January 1944.

x x x

1. Read Government Memorandum No.3335-E/43-3 P.W.Department, dated the 13th December 1943 re. the notice published in the "HINDU" of 9th, 10th and 11th November 1943 relating to the amendment of the Mangalore Electric Licence 1930 and requesting to state whether there are any representations to be made by the council in the matter.

The council strongly objects to the application for the extension of the licence by 10 years since it has the intention of purchasing and managing the concern after the termination of the present licence, as such public utility services are now recognized as fit to be owned and run by local authorities.

x x x

sd/H.Hoosien Saheb
CHAIRMAN, M.C.

/True Extract/

Municipal Office, Mangalore,)
Dated the 18th January 1944.)

19/1/44

The Mangalore Electric License - Application for ext[redacted]
of period.

From The Mangalore Electric Supply Co., Ltd., Ref No. Man/7931 dt 15.11.43
— " — " — " — " — Man/8322/3 dt [redacted].11.43

The advertisement at p[redacted] Cf. sho the amendment proposed, namely the change of the period of twenty years as laid down in para 12 of the licence to one of thirty years. Under Rule 15(4 of the D.E. Rules, the notice of the amendment has to be published in the Gazette. A draft memo is submitted.

2. Under Section 4(3)(b) of the Act, the local bodies have to be consulted on the amendment. A draft memo is submitted.

After issue the file may be sent to the C.E.I.Q. w.o. for remarks.

11.12.43 / 11.12.43 — 11.12.43

Fr. w.o. No. 3335 E/43-4 — 15-12-43

pp9-10 Cf Issued as memoranda Nos 3335 E/43-2 and 3335 E/43-3 dt 13.12.43
pp13-14 Cf From the C.E.(E) No 5838 Q/43-3 dt 21.12.43
p15 Cf To the C.E.I.Q. No. 3335 E/43-5 dt 28.12.43
p17 Cf From — " — No 4869 Q/43-2 dt 8.1.44

The Mangalore Electric Supply Co., Ltd who are the licensees under the Mangalore Electric (a) Licence, 1930 have submitted an application for amendment of clause 12 of the licence. The object is to extend the initial term of the licence from 20 to 30 years. The application has been s

under S. 4(3)(b) of the Indian Electricity Act, 1910. p 221 of PBK 22
The licence expires in 1950. Clause 12 pp. 6-7 of (E) [G.O. 1376, dt. 6-5-30]

2. With reference to the provisions of the Rule 24, p 353 of PBK 22
Indian Electricity Rules, 1937, the licensee has published in The Hindu" a notice of his application to the p 7 Cl
Govt., inviting possible objections from local authorities etc. The S.G.P. has also been asked to republish the p 9 Cl
notice in the Fort St. George Gazette. ~~Under section 4(3)(b) of the Indian Electricity Act, 1910~~, The remarks of the local authorities concerned, viz., the Mangalore Paper II pp 9-10 Cf
municipality and the South Kanara Dt. Board have also been called for and are awaited. They need not perhaps be awaited any longer in view of the remarks below.

3. The main reason given by the licensee for extension of the period of the licence, are (i) a para 2, p 11 Cf.
term of twenty years is inadequate to allow a reasonable return on the outlay (ii) The levy by the para 3. 1 p 11-12 Cf
Govt of the Electricity Duty resulted in a serious setback to the Company's progress, and (iii) The shareholders have to-date received no return whatever on their investment. The remarks of the C.E.I.G. and the C.E(E) are on pp 13-14 Cf.

4. As stated by the C.E.I.G. and the A on p 14 Cf
C.E(E), the Govt have sanctioned till now extensions of the period of licences in similar cases for one or other of the following reason and none of them are satisfied in the present

(a) As a compensation to the licensee for closing down his generating station and compelling him to take bulk supply from the Govt.

(b) To enable the licensee to raise capital for extensive rural development.

For this and other reasons given on pp 13-14 the C.E.I.G and the C.E (E) consider that the question of extension of the licence period in the present case may be considered after the War.

5. For orders whether the views of the C.E, I.G. and the C.E (E) may be accepted, as has been done in the case of the Salem Erode Electric licensees and Tuticorin-Tinnevelly and Palamcottah Electric licensees, for whom as well as for the Mangalore Electric licensees dealt with in this file, the managing agents are the same, viz., Octavius Steel and Co, Ltd., Calcutta - please see: G.O.s No. 92 P.W. D 11.1.44 at (U) and No. 93 P.W. D 11.1.44 at (H). It does not seem necessary to await the views of the local authorities in the two cases mentioned at A above.

6. Subject to orders a draft submitted.

17.1.44

Draft for Orders

Orders issued

May Issue

19.1.44

20-1